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REBUTTAL TO A/F COMMENTARY ON "CHINA'S NEW SOLUTION: INTENSIFIED

AGRICULTURE THROUGH COLLECTIVIZATION

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1. The A/F commentary returned by the Ch/E asserts that I am attempting to write a treatise on the acceleration of collectivization, seeking "to analyze the program's origin, progress and prospect for success in the light of certain 'sociogeographic factors.'" My aims were much more modest, and this assertion in the commentary is mistaken and misleading. As shown by the structure of my paper, the objective is to identify and briefly discuss factors having geographical interest which might have weighed in the thinking of Chinese planners as they were deciding whether to collectivize agriculture deliberately and gradually, or as quickly as possible. This called for necessarily brief paragraphs establishing the setting, in the space of which the commentary finds so much to deplore. Obviously, if the acceleration of collectivization reflects no new decision in the field of planning, then any discussion of factors pro and con is academic and hypothetical. This would be the key to the case against the paper.

In this rebuttal I am meeting directly each challenge posed by the commentary, in order clearly to demonstrate its unreliability. The paper itself had, of course, been neither coordinated nor edited when the rough draft was given to A/F for review. Had coordination been permitted I would doubtless have yielded ground merely for the sake of cooperation on some points which I am vigorously defending below. At two or three other points an editor's glance would have improved statements which understandably offend the writer of the commentary. In sum, however, since A/F chooses to make it an issue of who has done his homework, the paper can be defended as it stands.

2. In the abbreviated account in my sections headed "Collectivization of the Social Base" and "Significance as a Policy Change," I assumed it would be generally agreed that the collectivization effort so suddenly mounted represented a change of policy with respect to the place of collectivization in the Five Year Plan for industrialization. This the A/F commentary disputes in paragraph 2, and in paragraph 5, b, c, and d. What are the facts which the commentary invokes?

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\* Paragraph numbers used herein refer to paragraphs of the A/F commentary.

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There has certainly been no wavering in the goal of industrialization as the prime target of China's planners. Yet they are troubled by problems of pace and timing, as the currently-reported uncertainties over revision of the draft Second Five-Year Plan illustrates. 1/ There has been no wavering in the goal of raising the productivity of agriculture through improvement and modernization. Yet there have been differences of opinion over the point at which the peasantry should surrender their land, tools, and animals to collective ownership. 2/

1/ e.g., New York Times, 21 Jan 57, p.6, Hongkong dispatch by Greg MacGregor.

2/ It is hard to avoid confusion in the terminology for socialization of the agricultural sector, that is, collectivization. To make the change less drastic, the Chinese Communists developed a program of successive stages. The entire process, including the anterior stages of land reform and mutual aid teams, has been termed collectivization in our usage, since that is its theoretical objective. "Cooperativization" seems to refer both to the formation of "low-level agricultural producers' cooperatives," and to the formation of "high-level" cooperatives as well, which are Soviet-style collectives.

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The Draft Five-Year Plan expressed the conservative philosophy of gradual collectivization of agriculture. 3/ Mao's 31 July 1955 speech expressed the radical philosophy of immediate cooperativization, and severely censured the conservatives, 4/ although he suggested goals which in the light of subsequent developments were fairly moderate. In its October 1955 meeting the Central Committee of the CCP produced a resolution blueprinting a regional program for cooperativization,

3/ Li Fu-ch'un, Report on the First Five-Year Plan . . . (abridged), delivered on July 5 and 6, 1955, at the 2nd session of the First National People's Congress. Supplement to NCNA "Daily News Release," p.7:

"In agriculture, the socialist transformation of the small-peasant economy will have been carried out only to the degree that elementary forms of cooperatives are organized among about a third of the country's peasant households . . ."

ORR observed, 3 days before Mao's speech, 31 July 1955, that "Peiping is placing greater emphasis on austerity and is temporarily showing (sic) the trend toward socialization in agriculture and retail trade in order to stimulate production incentive." CURR INTELL WKLY SUM, 28 July 55, III-3, "Report on the First Five-Year Plan," SECRET.

See also CIA/RR IP-373, ORR Contribution to the NIE 10-7-54, 5 Nov 54, SECRET, which states on page 62 under the heading, "Socialization of Chinese Society"

"The announced goal of the present Chinese Communist regime is to bring about socialist industrialization of the country, and the Socialist transformation of agriculture . . . all of which is to be accomplished by a series of Five Year Plans . . . As stated by Premier Chou En-lai . . ., The guiding principle of the First Five Year Plan is to concentrate our main efforts on the development of heavy industry so as to lay a foundation for the industrialization of the country and the modernization of national defense; . . . to promote the gradual formation of cooperatives in agriculture and handicrafts; to continue the transformation of capitalist industry and commerce; to insure the steady growth of the socialist sector in proportion to other sectors of the national economy . . ." */italics mine/*

4/ Mao' p.9, says, for instance:

" . . . The problem that calls for criticism at present is not rashness . . . there is an active desire among most peasants to take the socialist road. Our country's socialist industrialization and its achievements are constantly intensifying it . . ."

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further censuring the conservatives, 5/ and Mao's speech was publicly released at this time. Finally, in the Draft 12-Year Program for Agriculture, published January 1956, the go-ahead for wide-spread collectivization was given. 6/ Thus, by the time of the Eighth Party Congress, it was possible in the resolution on the Central Committee's political report to refer to socialization in substantially different terms:

"The resolution notes that a decisive victory has been achieved in the Socialist transformation, that contradictions between the proletariat and the bourgeoisie of China have been basically solved and that a Socialist system has been in the main established. The chief contradiction now existing in China has become one between the people's demand to build up an advanced industrial country and the realities of a backward agricultural country." 7/

The A/F commentary levels its heaviest fire at the offensive phrase, "Collectivization now, industrialization next," in which I endeavored to capsule the policy shift which preceded the cooperativization-collectivization drive of late 1955 and early 1956. For purposes of refutation, the commentary seems to be endeavoring to read into the phrase, (a) postponement of industrialization, and (b) collectivization as a new idea (Para. 5c). However, nowhere in my paper can the commentator find support for this misreading. In discussing the phrase in convenient isolation from the context, the commentator ignores discussion of the real meaning of the 1955-56 change in the priority accorded to full socialization of agriculture relative to the rest of the industrialization program. Indeed, he seems unconscious of there having been any such issue under debate.

To assert, as the commentary does, that "collectivization has not and will not take precedence over industrialization" is ridiculous, for it has been given preference. The old socio-economic goal of gradual acceleration of socialization geared to the pace of industrialization

5/ NCNA, Daily News Release, 18 Oct 55, Chinese C.P. Resolution on Agricultural Cooperation:

"The sixth plenary session holds that the criticism of right opportunism made by the Political Bureau of the Central Committee is perfectly correct and necessary."

6/ Peking, NCNA, Jan 26, 1956. In CIA, FBIS, Daily Report, Far East, U, AAA-12:

"...All provinces . . . are required to reach the goal of approximately 85 percent of peasant families in agricultural producers cooperatives in 1956. Areas where the foundations of cooperation are better and higher stage cooperatives . . . are already in operation are in the main required to complete the higher stage of agricultural cooperation by 1957. . . ."

7/ Peking, NCNA, Sept 27, 1956. In CIA, FBIS, Daily Report, Far East, Supplement on 8th CCP Congress, Part III, 9 Oct 56, E-1. U.

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was exchanged for a new one of priority for socialization, in which the collectivization of agriculture was the major task. This was heralded by Mao Tse-tung's announcement that "throughout the Chinese countryside a new upsurge in the socialist mass movement is in sight . . . Soon it will sweep the whole country." 8/

Chou En-lai acknowledged the change in the relationship between socialization and industrialization with perfect clearness on January 30, 1956:

"Since the scope and speed of Socialist transformation have greatly exceeded the targets set forth in the First Five Year Plan, favorable conditions have been provided for more speedy progress in our Socialist industrialization and for a new upsurge in our national economy." 9/

Liu Shao-chi also has asserted recently that the bulk of the peasantry has been successfully proletarianized.

"In the second half of last year 1955 and the first half of this 1956, our Party led the people on to win a total and decisive victory in the socialist transformation of agriculture, handicrafts and capitalist industry and commerce. . . The broad masses of the peasantry and other individual working people have become socialist working people engaged in collective labor." 10/

Yet industrialization still proceeds, Liu concedes, on the same general timetable as before:

"The Central Committee of the Party holds that . . . we should build . . . an integrated industrial system within the period of three five year plans." 11/

It is completely correct to say that prior to July 1955 a strong body of sentiment in the upper echelons of party and government must

8/ People's China, Supplement, 1 Nov 55, p.3.

9/ State, Hongkong, Current Background, No. 375, 2 Feb 56, p.16.  
Report of Chou En-lai to the Chinese People's Political Consultative Conference.

10/ State, Hong Kong. Current Background, No. 412, 28 Sept 56, pp.4-55,  
Political Report delivered by Liu Shao-chi to the 8th National Congress of the CCP on September 15, 1956. p.4.

11/ Ibid. p.19.

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have been urging a moderate pace in the socialization of agriculture, and that it was only following Mao's speech, subsequent provincial party caucuses, and the Central Committee Resolution of October 1955 that this body of sentiment was finally overruled. <sup>12/</sup> Resolutions and targets prior to July 1955 apparently represent a certain degree of compromise with this group, for they were consistent in these respects, that (a) full collectivization (extinction of tenures) for the bulk of the peasantry was not anticipated in the immediate future, and (b) the cooperatives were to be relatively small- 25 to 30 households apiece. The virtue of the "low-level cooperatives," in the language of mid-1955, was that

"the peasant is given the comfort of thinking he still owns the land and that some remuneration is still paid for that property in the first few years. . . Later, through banning by law of the sale of land and the gradual reduction of dividend for land in the agricultural cooperative, land can become the common property of the cooperative." <sup>13/</sup>

In viewing the 1955-'56 developments as all subsumed under previous plans, the commentator ignores this point of timing. The most expansive suggestion of 1954 was that of Teng Tzu-hui, who wanted to have most of the peasantry in cooperatives by 1958. His imprecise proposals were, however, made in the less-than-full-dress setting of a NDYL Central Committee meeting, not in a CP or Government Forum. And even here, within the period of the First Five-Year Plan, the extension of cooperatives was urged in terms of the smaller 25-30 household units, not the larger collectives. <sup>14/</sup> The people still were not to lose their land immediately. Of course the future prospect was one of full collectivization; but it was to be not yet. The execution of the cooperativization campaign for the bulk of the peasantry, through most of 1955, was in terms of surrendering control of the land, but not ownership. The NIE 10-7-54 also implicitly recognizes this, when it states that

" . . . the Communist regime . . . has speeded up socialization measures which by 1957 aim to organize over half the nation's farmers and handicraft workers into production cooperatives. . ." <sup>15/</sup>

<sup>12/</sup> State, Hongkong. Survey of the China Mainland Press, 1177, 24-25 Nov 55, p.45, quoting from an article by Chen Yi:

"Comrade Mao Tse-tung's report . . . has settled the arguments on the question of the cooperativization of agriculture within the Party during the past three years, it has overcome the rightist vacillating ideology, and has enabled (sic) certain comrades to turn from their mistaken paths to the correct road of Marxism-Leninism."

<sup>13/</sup> State, Hong Kong. Current Background, No. 373, 20 Jan 56, p.7, quoting Liao Kai-Lung, Socialist Transformation in China, Peking, June 1955.

<sup>14/</sup> Ibid., p.8.

<sup>15/</sup> NIE 10-7-54, Communist Courses of Action in Asia through 1957, 23NN54, SECRET, p.5.

and apparently does not anticipate broad extension of Soviet-style collectives.

The July 1955 draft of the Five-Year Plan whittled this aim publicized in 1954 down to one-third of the peasantry. The precise goal is less important than the reservations built into the program, (a) that these were still to be cooperatives, not collectives, and (b) when half -- or two-thirds -- of the rural population could remain outside, the task of keeping the new social and economic relationship voluntary was far easier. If, then, 90% of the rural population was cooperativized -- and of them, 56% in collectives -- by the end of April 1956, can it be denied that a drastic revision of objectives in socialization measures, going beyond mere speed-up, must have taken place?

Following the great speed-up of late 1955, and only with the publication of the "Draft National Program for Agriculture from 1956 to 1967" 16/ was full collectivization in terms of extinction of tenures ordered outright. If anyone missed the point, Ch'en Po-t'a underlined it on February 2, 1956, at the National Committee of the CPPCC:

"...During the latter half of 1955 the Chinese peasantry gave up vacillating at a crossroad. . . . As Comrade Mao Tse-tung said: 'Conditions in China have undergone a fundamental change.' . . . the conflict between individual and cooperative management will be fundamentally solved if the peasants take another step forward. . . . It is a comparatively easy task to go forward another step toward full Socialism. . . . The Party's policy has changed from restricting rich peasants to eliminating rich peasants as a class. Capitalism in the countryside is doomed. . . . This is the last, glorious, and noble revolution. . . . Comrade Mao Tse-tung's report on 'The Question of Agricultural Cooperation' at once broke the bonds of rightist, conservative ideas and produced at just the right time an enormous influence furthering the high tide of agricultural cooperation. . . . collective farms are attractive to the masses . . ." 17/

The A/F commentary loftily ignores all recognition of the suddenness of this change of pace. It asks instead for full economic treatment, and holds that I have failed "to treat the cooperativization program as a rapidly unfolding process which must be viewed in its entirety" (para. 4); that the October 1955 program was proclaimed in July 1954 (para. 5b); that "the goal of collectivization is not new," (para. 5c); and that this mobilization of the peasantry has been going on since 1951 (para. 5d). All of this is intended to dispose of my claim that there was a significant policy change in mid-1955.

16/ CIA, FBIS, Daily Report (Far East), 27 Jan 56, AAA 11-23.

17/ CIA, FBIS, Daily Report (Far East), 10 Feb 56, AAA 11-18.

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most striking demonstration of the difference in outlook of the two philosophies debated within the Party in mid-1955 can be gained from comparative reading of sections of Li Fu-ch'un's speech on the Five-Year Plan 18/ against sections of Mao's speech:

Li:

On Time Required . . .  
"The cooperativization of Agriculture and handicrafts also cannot be lightly realized within a short period.

Mao:

"The tide of social reform in the countryside--in the shape of cooperation--has already reached some places. Soon it will sweep the whole country.

On Prerequisites . . .

"The realization of the collectivization of agriculture and handicrafts . . . needs the development of the entire economy to the stage of being in the position to aid. . .

"Some comrades . . . consider that there is no need for agricultural cooperation to keep in step with industrialization, that it should, in fact, develop very, very slowly . . . You cannot bring about any great expansion of a light industry founded simply on small-peasant economy; but only one based on large-scale farming which, in the case of our country, means socialist cooperative agriculture. . .

On Peasant Resistance . . .

"To make the laboring peasants and handicraftsmen thoroughly abandon the road of individual small production and turn to the new road of Socialist development is a difficult task that must be carried out over a long period through necessary transitional forms, before it can be gradually accomplished.

". . . There is an active desire among most peasants to take the socialist road. . . Some of our comrades . . . paint a pessimistic picture . . . should we not rather plunge into the struggle of Socialist revolution and gain it by learning in the process? . . The way these comrades look at things is all wrong. . .

On the Future Prospects . . .

"As Chairman Mao-Tse-tung has instructed, in perhaps 15 years of intense work and arduous construction we may, in the main, achieve a Socialist society, but to build a powerful country with a high degree of Socialist industrialization requires decades of effort, say 40 or 50 years, or the whole second half of this century."

". . . Our Party . . . can certainly lead our people to carry out, in the main, socialist industrialization and the socialist transformation of agriculture, handicrafts and capitalist industry and commerce, in the course of roughly three five-year plans. . . Is this possible? Soviet experience tells us that it is. . . The Soviet Union's experience is our model."(pp6,12)

18/  
Li Fu-Ch'un, op.cit.

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It should be noted that Li makes a clear distinction between development of a Socialist society and industrialization, while Mao blurs it (just as the author of the A/F commentary has done in paragraph 2, speaking of the "high rate of Socialist industrialization.")

The 1953 General Line of "Transition to Socialism" left the ideological door open for the 1955 change in pace by pairing socialist industrialization with socialist transformation of agriculture, and avoiding definition of socialization as a separate program. However, such strong emphasis was given to the policy of gradualism in leading the peasantry through the successive stages of the collectivization process, that any innocent observer would consider the postponement of full collectivization of agriculture an essential part of the General Line, <sup>19/</sup> as well as of the Five-Year Plan, into which it was clearly written. <sup>20/</sup>

With Mao's speech to party secretaries on July 31, 1955, this emphasis changed. Read against the comparable section of the FYP, no other interpretation seems to me to be possible than that collectivization policy had been extracted bodily from the Five Year Plan framework and given independent and priority status as a separate, supporting plan.

Such are the facts of the policy change. Much more might be written about it. To defend my little phrase in another way, I will only say that with the bulk of China's peasantry having lost all title to land, tools, and animals within the brief ten months my paper considers, the while industrialization -- that is, production, construction, investment, etc. -- was progressing at a fairly constant rate, not too far from prior expectations, the phrase was proved in the deeds; a collective framework for agriculture was being achieved.

The third sentence of the second paragraph states that the speed-up of agricultural collectivization was not "a unique phenomenon in 1955," since other sectors were socialized as well, and there was "a dramatic acceleration of the rate of socialist industrialization." Socialization of agriculture was indeed a unique sort of thing -- although I did not use that word -- in the immensity of the organizational problems to be

<sup>19/</sup> People's China, 7.1954, April 1, 1954. pp.10-13: Liao Lu-yan, The Agricultural Cooperation Movement in China. Supplement: Decisions on the Development of Agricultural Producers' Cooperatives Adopted by the Central Committee of the Communist Party of China/on 16 Dec 53/  
<sup>12</sup> pages. People's China, 1.1954, Jan 1, 1954. Teng To: China's General Line of Transition to Socialism, 5-9.

<sup>20/</sup> Li Fu-ch'un, *op.cit.*, p.2: "The fundamental task of the First Five-Year Plan may be summarized as: To centre our main efforts on industrial construction . . . ; to develop agricultural producers' cooperatives whose system of ownership is partially collective and develop handicraft producers' cooperatives, laying the preliminary groundwork for the socialist transformation of agriculture and handicrafts . . . (etc.)."

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faced, the nature of agriculture itself, the tremendous mass of population involved, the vast area involved, the relative preponderance of the agricultural sector in the Chinese economy, the suddenness with which the change came, and the dramatic build-up given it by Mao himself. Finally, as will be seen below, there was no such thing as "a dramatic acceleration of the rate of socialist industrialization;" the socialization of the private sector of industry was completed--but that is not industrialization.

In the fourth sentence, the A/F commentary insists on reversing the actual cause-and-affect relationship. The "generally accepted explanation" is stated, to be sure, in one of the basic documents, the resolution on agricultural cooperation adopted at the 6th Plenary Session of the 7th Central Committee, on October 11, on the basis of Mao Tse-tung's report. 21/ However, taking the explanation in its context, the fact is that while the socialization of industry had been going very fast, reducing the productivity of the contracting private sector and increasing the productivity of the expanding socialized sector, 22/ industrialization itself had not reached any stage of "dramatic" break-through. Investment in 1955 was only 94% of the planned amount, 23/ and production barely kept pace with plans. 24/

21/ SOMP, 1151, pp.9-23. Oct. 7 1955. The following is typical of how the ideas are linked here, and in many other speeches and reports:

(p. 10) "The growth of China's industry is rapid. Facts show that if the development of agricultural cooperation cannot catch up, if the increase in grain and industrial crops lags, China's socialist industrialization will encounter great difficulties."

22/ AFPE/8A, Psychological Weekly Research Report #79, 4 July 1956, Analysis #020756, "China: The Socialist Transformation Program in 1955," p.3:

"Since total production /in 1955/ did not exceed its target by a significantly large margin, it must be concluded that almost the entire margin of growth over and above the 1955 targets for the state, cooperative and joint state-private sectors was attributable to the decline in production originating in private industry."

23/ Communiqué on the results of the 1955 National Economic Development plan issued by the State Statistics Bureau on June 14, 1956. FBIS 119, June 19, 1956, AAA 39.

24/ FBIS 119, Ibid., AAA 34: "The 1955 production plan value . . . was fulfilled by 101 percent in general, and that of State-operated industry by 108 percent in particular."

(This footnote continued on page 10-a)

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24/ Sanitized - Approved For Release : CIA-RDP60-00346R000100290016-3  
FBIS 119, Ibid., AAA 34: (CONTINUED from page 10)

Current Intelligence Weekly Summary, 26 Jan 56, SECRET, III-7,8 (prepared by ORR), observes that "Five-Year Plan goals for the socialization of agriculture, industry and commerce have already been achieved, two years ahead of schedule."

These gains, however, were in socialization, not in production or in industrialization. Regarding production, the article continues:

"The outlook is good for industrial production during 1956 to rise by perhaps 20 percent over 1955, approaching the Five-Year Plan target of doubling the 1952 level of output."

Thus, the Five-Year Plan targets were still the best to be hoped for here. Regarding construction, the article stated: "The construction program was lagging last year but will more than catch up in 1956 if Peiping achieves its announced plan . . ."

Current Intelligence Weekly Summary, 1 Nov 56, III-4,5,6 (prepared by ORR) tabulates 1957 goals and expectations in heavy and light industry. While overfulfillment of many goals of the First Five-Year Plan is expected, the rate of fulfillment or under-fulfillment in other sectors detracts from the over-all achievement.

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Hence, I cannot agree that collectivization was dictated by significant overfulfillment in industrialization as the commentary asserts in saying, "Socialist industrialization was proceeding at so rapid a pace that it was necessary. . . ." Rather, the cause and effect were in reverse order: increased agricultural productivity was necessary before a more rapid pace of "Socialist industrialization" could be achieved. 25/ Furthermore, in dealing with the problem of imposing "greater controls on the countryside in order to secure the raw materials and revenues needed," the alternative to collectivization was better control of collections, taxation, and marketing. The A/F commentary ignores grain-handling as a problem of policy in which the Three-Fixed program was a direct response to the problem distinct from collectivization. It was apparently the conservative answer to the problem for which collectivization was the radical answer. 26/

3. The commentary is here so vague as not to necessitate direct rebuttal. The drift of paragraphs 3 and 4, however, is to deny the

25/

25X1C8b

26/ e.g., State, Hongkong. Current Background No. 356, 13 Sept 55, pp.29-32. Speech of Teng Pao-shan, Governor of Kansu, to the National People's Congress on 28 July 1955.

"...If we continue to implement the policy of unified purchase and supply and the "Three fixes" policy in a proper way, make a better job of ideological-educational work and deal blows to the activities of all counter-revolutionaries, grain crisis in certain localities can be eliminated and supply can be placed on a more rational basis. And this is precisely what the peasants want of us. . . ."

". . . Simultaneous with the agricultural cooperativization movement, we should adopt effective production-increase measures more successfully. For Kansu province, the first thing to do is to develop water conservancy . . ." (pp.30,31)

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necessity of linking political with economic insights to extract the full intelligence potential from the information.

The "reasons for collectivization," as pencilled in by someone at the bottom of the A/F commentary's first page, are indisputable as far as they go. Communist theory, of course, subsumes everything, ultimately, under an economic world view. <sup>27/</sup> But this does not mean that when so massive an effort as collectivization is mounted, it does not become, all the same, a problem in government and administration from the outset. The problem of extension of controls is a very broad one because it involves "persuasion;" Mao stressed that peasant participation in cooperativization had to be "voluntary," whatever that might mean, it suggests that control must be based on a minimum degree of consent, not on continuing coercion. This is the first point at which a political problem appears. The motives may be economic, but the problem of execution is in its nature also political, administrative, and social.

Second, behind economic policies lie often non-economic motives -- here, doubtless, the security of China, which is one of the major goals of industrialization. If security is a consideration, it is unwise to ignore strategic implications. It would be strange if the mainland regime had not given thought to economic problems of military survival in a third world war, especially to the maintenance of communications and industrial and agricultural self-sufficiency within a redoubt area. The most obvious area of sanctuary, assuming the loss of most of the east, northeast, and south, would be essentially the same area as before, during World War II, when most of the Communist and Nationalist forces were in an area stretching from the Great Wall in the north to Yunnan and Burma in the southwest.

The third interwoven political problem is the one of differences among the leadership. It was suggested in the Rostow volume, for instance, that argument over collectivization had a divisive potential in the party second only to the question of succession to Mao. The authors' comment supports the importance attached to the events of 1955-56 in my paper:

"There have almost certainly been considerable differences within the ranks of Chinese Communism as to whether or not, and especially at what pace and by what means, the regime should move toward agricultural collectivization, and, more broadly,

<sup>27/</sup>

Soong Ching Ling, Relations of a New and Higher Type, People's China, 1955, No. 5, 1 Mar 55, pp.6-10.

"Socialist states, or those on the road to socialism, have only purpose: to expand and perfect socialist production continuously on the basis of higher techniques so as to secure the maximum satisfaction of the constantly rising material and cultural requirements of the whole of society; and to offer this progress to all mankind."

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on what degree of strain and oppression should be applied against the peasantry." 28/

One Peking observer has described "the success of the rapid socialization of agriculture" as a definite victory for Liu Shao-chi over Chou En-Lai, 29/ in connection with which FBIS has published a study. 30/

The commentary in paragraphs 3 and 4 shows an extraordinary lack of sensitivity to political overtones of the nature sketched above, which are so obvious in all the materials. The usefulness of economic reports would be magnified if they were taken into consideration, and there is no logical reason for suppressing research and comment on such intimately related problems, as the commentary seeks to do.

4. The commentary insists that the cooperativization program is "a rapidly unfolding process which must be viewed in its entirety." Surely it is unnecessary to restate what has already been treated in three Intelligence Memoranda, IM-370, IM-386, and IM-409, which carry the story through 1954, regarding the development of basic theoretical patterns of collective organization. Unfortunately, no similar report has been issued for the guidance of non-economists dealing with the far-reaching events of 1955. It is nonsensical to insist that so sudden and tremendous an organizing effort as was mounted with little advance warning during the period under consideration does not merit attention as a significant event in its own right, and that it must be handled only in terms of theoretical process.

The information offered in my paper regarding variations in provincial performance was intended for readers somewhat familiar with background materials on the vicissitudes of provincial administrators. Their speeches delivered at the National People's Congress in Peking from July 21 to July 30, 1955, suggest that a broad range of opinion was represented and voiced there. 31/ In those speeches the strongest support for the agricultural portion of the Five-Year Plan came from the Shansi and Kwangtung representatives. They, with their colleagues from Kansu, Kwangtung, Szechwan, Kweichow, and Yunnan took an apparently defensive posture on the merits of the grain-handling program represented

28/ W.W. Rostow et al, The Prospects for Communist China, Cambridge, Technology Press and John Wiley & Sons, NY, 1954, p.128.

29/ State, Hongkong. Dsp 44, 16 July 56, C/American Eyes Only. Interview with Nicolai Geelmuyden, First Secretary of Norwegian Embassy in Peking.

30/ CIA, FBIS, Research Series RS.7, Policy Conflicts in the Socialization of Chinese Agriculture, 27 pp, 22 Dec 55. C.

31/ State, Hongkong. Current Background, No.356, 13 Sept55, 60 pages.

by the "Three-Fixed" policy, blaming shortcomings on the plan's execution, rather than on the plan itself. The strongest apology for agricultural cooperativization as the over-all panacea came from the Shantung representative. At least one of the "high-level cadres" who came under criticism for "empiricism" <sup>32/</sup> (i.e., excessive reliance on their own experience) for having held out against rapid collectivization was Deputy Premier Li Hsien-nien, the economist, <sup>33/</sup> Other people in hot water at the time for their "rightist conservatism" on cooperativization included the leadership of the Heilungkiang and Kansu party committees, <sup>34/</sup> besides which other individuals have been mentioned who are high in the national government and in the Chekiang and Hopei leadership. <sup>35/</sup>

I have cited this background material to show that the situation as it developed in the provinces is worthy of observation and study, the commentary's parochial approach notwithstanding.

Regarding the four factors which the commentary ingenuously suggests as "the more generally accepted explanation for the diverging rate of cooperativization between different regions," no one could question them as of great importance. My intent was to press one step further. Those factors were, by their nature, all weighted in the blueprint for regional development of cooperativization offered by the Central Committee in October 1955, in which future targets were assigned on the basis of relative achievement as of mid-1955 (see fig. 2 of the paper). Where the interest develops is in divergence from what might be expected on the basis of that blueprint. In the present case, what first arouses curiosity, is the rapid collectivization of Tsinghai and Kwangsi--provinces far from the "old liberated areas" and containing "large admixtures of minority nationalities." For this question, the commentary has no answers.

5. a. This flatly contradictory paragraph, if it stands, would help to deny the sociological interest in collectivization, and further

<sup>32/</sup> e.g., CIA. FDD, Weekly Summary, 894, date ?, quoting from an article in the 2 Dec 55 issue of Hsueh-hsi, entitled "The Theoretical Force of Comrade Mao Tse-tung's Report on 'The Question of Agricultural Cooperation.'"

<sup>33/</sup> State, Hongkong. Survey of the China Mainland Press, No. 1183, 7 Dec 55, 50-56 CIA. FDD, Weekly Summary, 786, 11 Jan 56, 11-17. In both translations, Li admits that his viewpoint on the pace of agricultural cooperativization had at times been "empirical," but protests that he had never had any reservations about the General Line for the transition period (in which, as has been noted, gradualism was prominent).

<sup>34/</sup> CIA. FDD, Weekly Summary, 855, 13 Mar 56, p.67. (dispatch of 4 Nov 55).

buttress the view that analysis of the collectivization effort is a task for economists alone. Happily, the commentary is in error, and there is nothing wrong with my statement on page 11 of the paper. The hsiang, for the period under discussion was the maximum limit of the borders of larger collectives. 36/ In referring to "the planned borders of collective farms" the commentary carelessly goes beyond my reference to the current situation. However, the current view is that in the reorganization of hsiang boundaries, the average hsiang will probably incorporate a half-dozen or more collectives. 37/ There is no general trend whatever toward collectives larger than the hsiang, and there is no substance to the statement that the hsiangs are being merged into larger units "for the very purpose of making them large enough to encompass a typical collective farm." In the province apparently referred to (Hunan), the new hsiang reportedly had as many as 20 to 30 cooperatives, which would suggest that the original hsiang had 4 to 6 collectives apiece, on the average. In Hunan it was the personnel problem that was closest to the surface at the time of hsiang redemarcation, and the ultimate size of collectives had nothing to do with it. 38/ Only in Kiangsi (see under note 20, above), were some of the new collectives possibly larger than the old hsiang.

- 36/ Hopei: State, HK, SCMP 1244, Mar 56, p.19. Lin Tieh, Secretary of the provincial committee, stated that at the moment it was most practical for one cooperative to be built for one ts'un /village/ or one hsiang /administrative community/, from 200 to 500 households, and no further mergers for the time being.
- Kwangsai: CIA, FDD, Weekly Summary 976, 26 June 56, 111-118. Chairman of Provincial Committee asks for 15,000 - 17,000 collectives by fall of 1956, at scale of one, two, or three for every hsiang.
- Liaoning: State, HK, SCMP 1210, 18 Jan 56, p.32. The goal in Yingkow hsien was one cooperative in each of the 240 ts'un in the county.
- Shansi: CIA, FBIS, Daily Report, 27 Dec 55, AAA 29. The much-publicized model collective of Li Shun-ta includes all peasant households of the several villages in Hsi-kou hsiang.
- Kiangsi: CIA, FDD, Weekly Summary 965, 13 June 56, p.18. At end of January, 56, 562 cooperative reorganized into 7,174 collectives 7.9 to 17.  
CIA, FDD, Sum 1069, 21 Sept 56, p.91. Spring decision to reduce number of hsiang from 9856 to 3000-4000.

37/ State, Hongkong. Dsp 232, 18 Sept 56.

38/ State, Hongkong, SCMP 1374, 21 Sept 56, Supplement, p.2, p.8. U. CIA, FDD. Weekly Summary, Far East, 1126, 9 Nov 56, p.53. C.

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Illustrative of how the cooperative is now identified with the local community in Kwangtung is the report of a peasant woman informant who regularly interchanged the words "village" and "cooperative." 39/

5. b. Sentence 1: In the light of developments following Mao's speech, it certainly was a "go-slow" policy, 40/ although I will agree that "policy of gradual progress" would state the meaning better. There was a strong effort to spread key-point cooperativization broadly, but the goal of full collectivization (surrender of ownership) was carefully set beyond 1957. Only with the publication of the Draft 1956-1957 Program for Agriculture in January 1956 was immediate collectivization formally urged.

Sentence 2: Regardless of Ten Tzu-hui's speech to the NDYL in July 1954 proclaiming a long-distance target of 3,000,000 cooperatives, the fact remains that in mid-1955, only 15% of the rural populace were in low-level collectives (apo's), and very few in full collectives.

5. c. This point is sufficiently discussed above.

5. d. I would certainly be willing to qualify and perhaps soften the statement. However, the commentary implicitly supports the point I intended to make. The Chinese Communists were obviously engaged in the preparatory phases of mobilization for collectivization since 1951, thus giving clear indication of their ultimate goals. Yet they still deferred to sentiment for gradualism and when mass collectivization came, it came suddenly, on the heels of tremendous "over-fulfillment" of the suddenly mounted mass cooperativization drive. In the light of their goals, the perpetuation of the tenures dating from the land reform, and toleration of "small-peasant farming" for most of the peasantry until late 1955 constituted a continuation of the type of concern for peasant morale associated with land reform.

5. e. The so-called "speculative" explanations were adequately labeled for the careful reader. Regarding collectivization in Kwangsi, it is hard to believe that any provincial party organization not in a position of great strength could turn in their performance statistics.

39/ State, Hongkong. Dsp 93, 3 Aug 56. C.

40/ CIA. OCI, Current Intelligence Digest 8244/55, 16 Dec 55, p.6:

"The uncertainty of Communist leaders in China on this movement is demonstrated by the various plans announced in the past two years, for co-operativization by 1957, all evidently conservative." (Article prepared by ORR).

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It is unfortunate that the commentary is so ingenuous as to put Kwangsi and Yunnan in the same strategic relationship to the rest of China. Yunnan is more remote, lacks railroad connections into or across the province, has greater mineral wealth, a more diverse minority aspect, and borders on the non-Communist countries of Burma and Laos.

5. f. The relative strength and attitudes of provincial leadership is an important intelligence question. The commentary as the statement of an intelligence officer, should be pleased to see that something of potential usefulness can be squeezed out of the cooperativization and collectivization statistics. Instead, the commentary blows up an attack on an obviously defective sentence, which I agree needs mending, into deprecation of the entire section. The intent in the unfortunate sentence was to compare the general usefulness of Figure 3 relative to Figure 2, and for "indicates" I should have said "reflects." Had I intended to set up this little map as a one-factor test of provincial party leadership, it would have been followed by much additional text!

5. g. The commentator has not read the text carefully, and is apparently unfamiliar with the materials, to find this discussion "puzzling . . ., incorrect . . .," and lacking any "meaningful distinction."

The "meaningful distinction" is to be found in the following section headed "political usefulness." The point is a simple one: in the summer and autumn of 1955 the "Three-Fixed" program for grain-handling had the biggest play in the provinces where less was expected by the Party in terms of early collectivization. The reason presumably was that the grain-handling program was being tailored in the "Three-Fixed" plan into a device for making collectivization attractive to individual farmers, as well as a means of controlling production and marketing

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where collectivization was not far advanced. 41/ Why is the commentator not pleased to see this relationship brought to light?

The commentary again errs in flatly declaring my statement incorrect, that "urban grain rationing was stressed in those provinces where maximum possible collectivization was desired." By the beginning of December 1955 the "system of fixed supply" was reported to have been "introduced in all the cities and market towns planned for fixed supply of grain in Shantung, Shansi, Fukien, Kiangsu, Anhwei, Shensi, Kiangning, Heilungkiang, and Jehol." 42/ While 3,298 cities and towns were involved in the operation, the completion of the plan in the above-mentioned provinces first means that it was stressed there. Of the provinces where the maximum possible collectivization was desired (see Fig. 2), Kirin only is missing from the list. The other provinces named were also in the zone of high expectations in collectivization. The statement is not at all misleading, and the commentary's censure is unjustified.

5. h. This quibble is absurd, and is based on misreading. Reading my sentence, "In all three maps, the provinces of the Yangtze Basin, Szechwan, Kweichow, Hupeh, Hunan and Kiangsi work out as a weakly defined unit," the commentator believes that I should list all

41/ Other materials bears out my conclusions, which were cautiously stated, because based mostly on map comparison:

- (a) State, Hongkong. Dsp 93, 3 Aug 56, C. Regarding the experience of the peasant woman informant, the dispatch states: "As far as the informant can tell, the "three-fixed" grain supply system has been killed by cooperativization."
- (b) CIA. FDD, Weekly Summary, No. 1131, 19 Nov 56, p.29, C. An article in the Liang-shih Kung-tso for 14 August 56 states: "During recent years, it has become evident, in connection with the grain problem in country villages, that wherever unified purchase (sic) and unified distribution of grain have been most strictly enforced and best carried out, the peasants' enthusiasm for production has reached the highest levels, agricultural producer cooperatives have expanded most rapidly, and have been most firmly established. . . After the three-fixed policy reached each household, rural enthusiasm for socialism reached its highest point."
- (c) People's China, 11.1955, 1 June 1955, pp.6-9, Li Chuang, An Important Step Towards Socialism. This article on state purchase of surplus grain does not call it the "Three-Fixed," but it is unmistakably the same, and clearly states its objectives: "The most important thing about the system of unified purchase and supply of grain, however, is that it stops the spontaneous development of capitalism in the countryside, and strengthens the peasants' inclination towards socialism."

42/ State, Hong Kong. Survey of the China Mainland Press, No. 1187, 13 Dec 55, p.9, U.

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the provinces of the Yangtze Basin, for what reason, I do not know. Since those five provinces worked out to be contiguous, and all drained to the Yangtze except for about one-third of Kweichow, it seemed to me simple and appropriate to characterize their location as a group in that way. The drainage of Anhwei and Kiangsu has complexities which make the commentary's reference to them painful, if not ridiculous, and they are not arbitrarily to be placed in the Yangtze drainage basin without careful qualification.

5. i. The order in which Communist China is attacking its largest river control problems -- first the Huai, then the Yellow River, and last the Yangtze -- is not inconsistent with the priority needs of agriculture balanced against the capabilities of the economy to support such projects. This is in the nature of the problem. I will agree that the sentence attacked could be improved. However, the commentary seems to forget that economic production of power from the Yellow River will only come long after the other benefits of river control have begun to be realized. If one considers that a Yangtze Gorge dam could support an installed hydroelectric capacity of 10 to 14 million kw. 43/ it becomes a highly attractive project for the purpose of building modern industries in Central China, but premature in the light of present needs. The power possibilities of the Yellow River will be no simple problem to exploit. The combined capacity of the Sanmen Gorge and Liukia Gorge hydroelectric stations, as announced, will only be around 10% of the possibilities above Ichang on the Yangtze. 44/ To secure this much power, an immense conservation effort aimed at silt control will have had to be successfully mounted upstream, and once it is successful, the water of the river will supposedly be sufficient for the irrigation of 65% of the potentially irrigable lands in the North China Plain. 45/ Meanwhile, the threat of Yellow River floods with their ruinous effects on agriculture will have been controlled. Thus, how is it possible for the commentary to equate industrial with agricultural benefits of the Yellow River project for the years that will intervene before the costly generating and

43/ United Nations, Flood Control Series No. 1, Flood Damage and Flood Control Activities in Asia and the Far East, Bangkok, Oct 50, p.76.

44/ Ibid., p.81: A 170-meter dam at Palihutung (near Sanmen) on the Yellow River, recommended by the Yellow River Consulting Board in 1946, would have had a capacity of "400,000 kw. of firm power." Teng Tzu-hui's report on the Yellow River Project (Supplement to NCNA Daily News Release, (?) July 55) suggests that a 90-meter dam at Sanmen will have a 650,000-kw. capacity "in the initial period," which would seem to be over-optimistic.

45/ Teng Tzu-hui, Report on the Yellow River Project (abridged), Supplement to NCNA "Daily News Release," (?) July 55, p.6.

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transmission facilities will have been installed? Once again, the commentary takes a ridiculous position for the sake of being contradictory.

5. j. Earlier sections of this rebuttal answer the commentary on the ground taken. Here the A/F commentary, by blanket contradiction, seeks to bury an important aspect of the collectivization debate.

The 1955 documents give evidence of much argument over Russian experience with collectivization, with criticism of the high-level cadres who were failing to understand Russian experience properly. <sup>46/</sup> Prior to 1955 developments, W. W. Rostow noted that the actions of the regime as of 1954 were strongly reminiscent of Stalin's in 1930 except in the two areas of military priorities and the pace of planned collectivization, <sup>47/</sup> and he and Alexander Eckstein, a co-author, refer at several points to the problem of collectivizing without disrupting the economy, as Stalin did. <sup>48/</sup> This consideration gives redoubled significance to the 1955 change in the pace of collectivization.

If one were a Chinese Communist politician feeling pressed toward immediate collectivization, would it not pay to study the Soviet experience to see whether the adverse conditions that operated in Russia would necessarily obtain in China? A glance at a recent summary of the Soviet agricultural situation <sup>49/</sup> shows that the problems are quite unlike. My statements on page 12 were written with reference to that discussion, which was helpful in the effort to look beneath the didactic treatment used in the published Chinese press materials on the Russian experience.

5. k. This complaint about inadequate conclusions is largely a matter of opinion. There is no doubt, however, that less effort to

<sup>46/</sup> e.g., CIA. FDD, Weekly Summary 894, date ?, pp.58-62, extracts of article from Hsueh-hsi entitled "The Theoretical Force of Comrade Mao Tse-Tung's Report on 'The Question of Agricultural Cooperation.'" "

<sup>47/</sup> Rostow, op.cit., 299.

<sup>48/</sup> Ibid., 91, 128, 147, 148, 256, 257. Also, p.270: "Official Chinese Communist policy is openly and unequivocally based upon collectivization as a definite goal which is to be attained gradually and without either the loss of output which accompanied the Soviet experience or the stagnation which has accompanied the eastern European experience."

<sup>49/</sup> CIA. CIA/RR Economic Intelligence Report 68, Economic Intelligence Survey of the Sino-Soviet Bloc, 15 Dec 55, S. pp.16-19.

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avoid including substantial amounts of economic and political material in the body of the paper would have made it possible to draft a more satisfactory conclusion.

6. Regarding the lack of documentation, for three months I was as close as the commentator's telephone had he wished to discuss documentation, which is one objective of the coordination process. None of the documents are unfamiliar to A/F, I am sure.

In conclusion, I must express my doubts that genuine evaluation was the objective of this commentary. Rather, it has the appearance of an effort to develop the most damaging case possible against the paper, and not a single generous or tolerant comment is made. Accepting it as a prosecutor's brief, I have shown above that its major thesis collapses under scrutiny, and that its secondary comment is characterized by imprecision, mistakes, misreadings, and misleading assertions. It has been presented to us as an ostensibly authoritative pronouncement. As such, it seems so unreliable as to raise the question of whether those whose viewpoints are expressed in it have grasped the significance of the collectivization effort in its larger context.